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PATENTS

TRADEMARKS

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WHAT IS A PATENT?

- It is a document issued by a national government granting an inventor (or patent owner) the exclusive right to his invention for a limited time.
- It also signifies an agreement between the inventor and society (represented by the USPTO) that all aspects of the invention are disclosed in the patent and that no secrets have been withheld from the disclosure.
- If essential secrets are withheld from the disclosure, that is, secrets that must be know in order to make the invention work, the patent will likely be held by a court of law to be invalid and UNENFORCEABLE.

WHAT IS A PATENTABLE INVENTION?

- It is an invention that did not previously exist anywhere in the world before THE DATE OF THE INVENTION.
- The invention must not be obvious to one of ordinary skill in view of preexisting technology.
- It is also an invention that has not been publicly disclosed or placed on sale more than one year before the filing date of the patent application.

WHAT IS REQUIRED TO ACQUIRE A PATENT?

- Establish the DATE OF THE INVENTION in a provable format. The best format is are dated writings and drawings witnessed by two trusted non-family friends.
- See a patent attorney…noting that is very important to file the patent application before there is any public disclosure of the invention.
- All of Europe, Japan and many other countries have a rule that states that the application for patent must be filed before public disclosure of the invention.

WHAT DOES THE PATENT ATTORNEY DO?

- Prepare a detailed text and drawings that comply with the USPTO rules and which describes all aspects of the structure or process.
- Prepare a set of definitions (claims) that define the invention in a way that distinguishes the invention from the work previously done by others.
- When all of the aforesaid components are put together, a DRAFT of a patent application comes into existence.

DO THE INVENTOR AND PATENT ATTORNEY WORK TOGETHER?

- The inventor must check carefully the work done by the patent attorney to make sure that all of the work accurately describes the invention
- After the inventor approves the work, the inventor must sign papers that declare him/her to be the inventor. Once the Declaration papers are signed, a patent application officially comes into existence.
- All patent applications are owned by the inventor(s) unless there exists a separate written agreement assigning ownership to someone else.
- If there are two or more inventors, each will have an interest in the whole invention.

WHAT IS THE USPTO PROCESS?

- When the patent application and signature papers is received by the USPTO, an official filing receipt will be issued setting forth the official application number and filing date.
- Thereafter, the papers are delivered to the examination group to examine the patentability issue.
- The Examiner will in most cases issue the first examination report (Office Action) about 1 year after filing.

HOW MANY APPLICATIONS DOES THE USPTO RECEIVE PER YEAR?

- Approximately 290 000 patent applications were filed between October 1, 1999 and September 30, 2000.
- Approximately 350 000 patent applications were filed between October 1, 2002 and September 30, 2003.
- In 1999, the core group of Examiners (engineers that decide whether a patent will be granted) numbered about 2950. Today, it numbers about 3500.

WHAT HAPPENS IF YOUR INVENTION IS REJECTED?

- Each filed application is entitled to two rounds with the Examiner. That is, the inventor can rebut the rejection by setting forth (1) the technological reasons why the invention is not an obvious derivation from prior technology and (2) the new benefit and unobvious benefit(s) achieved by the invention.

IF THAT DOESN'T WORK, WHAT THEN?

- The inventor has the option to appeal the Examiner's decision to a panel of Examiners or re-file the application to get two more rounds with the Examiner.
- After the Examiner has been convinced that a patent should grant, a "Notice of Allowance" is issued setting forth a non-extendable 3 month time period to pay an Issue Fee.
- After payment of the fee, the patent will issue about 3 to 4 months later.

SOME STATISTICS

- The average prosecution time in 2003 was 26.7 months.
- The prosecution time is creeping toward 30 months due to Congress' current and past use of the USPTO fees to fund various pet projects of Congressmen, thereby preventing the USPTO from having access to funds to hire more Examiners to meet the ever increasing numbers of new applications.
- The CLINTON administration said that the dollars taken was the scientific communities contribution to balancing the budget.
- Congress this year vowed that it will not take and use USPTO funds in the future…but the legislation is still pending.

WHAT IS THE DURATION OF A PATENT?

- The term of a utility patent today is 20 years measured from the application filing date, provided the maintenance fees are timely paid.
- Patents filed before JUNE 8, 1995, have a term that is 17 years from the date of grant or 20 years from the filing date, WHICHEVER IS LONGER.
- Maintenance fees are due at 3 one year long intervals in the life of a patent, namely:
  - 1. 3 to 4 years from the date of grant.
  - 2. 7 to 8 years from the date of grant.
  - 3. 11 to 12 years from the date of grant

DESIGN AND PLANT PATENTS

- A design patent covers the inventive outward ornamental design features. Therefore, if the consuming public is likely to recognize your product by its shape or other ornamental design, seek a design patent. It costs about $3000 to acquire.
- The term of a design patent is 14 years from the date of grant and is not subject to maintenance fees.
- A plant patent covers asexually reproducible plants, and will serve to protect disease resistant plants, medicinal herbs and aesthetically pleasing plant life.
- The term of a plant patent is 20 years from the date of filing of the patent application.
- The 10,000th plant patent issued on August 26, 1997.

HOW MUCH DOES A TYPICAL PATENT COST? (as of April 20, 2004)

- Typically, the attorney's fee, inclusive of USPTO fees, will likely be in the range of $5000 to $10,000 to prepare the application for filing (if the technology of the invention is simple, about $3500).
- The attorney's fee for prosecuting the application before the USPTO through to grant is typically in the range of $2500 to $5000.
- The total expense for acquiring a patent (before payment of maintenance fees) will typically be about $10,000 to $12,000 ($1200 of which is USPTO fees if you are an individual; $2400 if the application is owned by a company with more than 500 employees).

MAINTENANCE FEES

- INDIVIDUAL OR SMALL ENTITY (500 OR LESS EMPLOYEES)
  - $455 – 1st Maintenance Fee
  - $1045 – 2nd Maintenance Fee
  - $1610 - 3rd Maintenance Fee
- Note that the total is $3110 added to the $10,000 spent to get the patent.
- All USPTO fees will total about $4310 over the life of the patent.

- LARGE ENTITY (501 OR MORE EMPLOYEES)
  - $910 – 1st Maintenance Fee
  - $2090 – 2nd Maintenance Fee
  - $3220 – 3rd Maintenance Fee
- Note that the total is $6220 added to the $10,000 spent to get the patent.
- All USPTO fees will total about $8620 over the life of the patent.

SHOULD A PATENT SEARCH BE CONDUCTED?

- YES!! WHY?
- To discover “today” the state of the art. The term “art” means preexisting technology.
- To enable your proposed development to be compared to the prior art to see if anything is new and , if so, what is new and is it worthy of the expense to obtain a patent covering it.
- To discover whether your invention infringes some preexisting not yet expired patent.

HOW MUCH DOES A PATENT SEARCH COST?

- The cost of a search will depend on the complexity of the technology and how well the patents are classified in the USPTO Classification system.
- A typical search will cost about $2500 to $3500.
- It takes about 4 to 6 weeks to get the search results to you.
- The USPTO website address is www.uspto.gov. I encourage you to use this address. Images of all patents are available at this address.
- Key word searching is operable only back to about 1976. A thorough patentability search requires a search at the USPTO.

TRADEMARKS/SERVICE MARKS

- A “mark” (trademark or service mark) identifies the source of the goods branded with the mark.
- The mark assures to the consumer a consistency in quality and/or character of products and/or services provided.
- Trademarks apply to products, such as Tide® and Cheer® detergents.
- Service Marks apply to services, such as fast food services like Burger King®, Wendy’s®, McDonalds®.

WHAT SERVE AS MARKS

- A word
- A phrase
- A design
- A smell

CHARACTERISTIC OF A MARK

- GENERIC TERM (i.e., BREAD)
- DESCRIPTIVE WORDS
  - ROD RACK FOR A WIRE SHELF
- SUGGESTIVE WORDS
  - DIE-HARD® FOR A BATTERY
- COINED EXPRESSIONS (I.E., ARBITRARILY SELECTED)
  - KODAK ®FOR FILM
  - XEROX® FOR COPY MACHINES
- SURNAMES
  - STRYKER ®FOR MEDICAL AND ORTHOPEDIC DEVICES
- NEVER CAN BE A MARK
- WEAK/ GENERALLY NOT REGISTERABLE
- PREFERRED FORM OF A MARK
- STRONGEST FORM OF A MARK.
- ALSO A STRONG FORM OF MARK BUT IS REGISTERABLE ONLY AFTER FIVE CONSECUTIVE YEARS OF USE.

CHECK OUT THE USPTO WEBSITE FOR MARKS

- The USPTO website contains all registered and pending marks as well as those that are now “dead.”
- Before adopting and using a mark, you must always check all sources of information to see if anyone else has beat you to the use.
- After the research has been completed, you have the option to register it with the USPTO.

HOW MUCH DOES A MARK SEARCH COST?

- About $500 per mark.
- The search includes information that is not available at the USPTO website.
- The search typically includes:
  - The USPTO registry (same as website)
  - The registries in each of the states.
  - Two foreign country registries (Canada and the UK)
  - A brand name database.
  - An electronic listing of company names

HOW MUCH DOES A REGISTRATION COST?

- About $1500 to $2000 inclusive of fees associated with a registration in one class at the USPTO and, of course, assuming that no obstacle arises to complicate the registration process.
- The process to register is nearly the same as the patent process, namely, file, prosecute and grant. It takes about 20 months from start to finish.
- Use of a mark in the marketplace is not necessary to file an application to register.

WHAT IS A COMMON LAW RIGHT FOR MARKS?

- A common law right arises when a party is the first to use a mark in a business territory and no federal registration owned by someone else and applicable to your goods/services exists at the time the mark is first placed into use.
- A common law right can be enforced in court and without having it registered.
- However, a registration is preferred because its effect is nation wide and covers areas in which you may not have a common law right.

COPYRIGHTS

- Copyright rights apply to literary works, art work, music, words and music, dance chorography, motion pictures, computer programs …generally anything that is created and reduced to a tangible form of medium.
- A copyright right is owned by the creator of the work and remains with the creator unless there exists a written agreement to the contrary.
- If an artist sells a painting, the buyer only gets the painting for display. No right to reproduce the art work goes with the sale unless there exists a separate written agreement. The same is true for photographs.
- If a website is designed by a party that you pay, the website designer owns the content unless there exists a written agreement to the contrary.

COPYRIGHT CONVENTIONS

- Prior to March 1, 1989, the United States belonged only to the Universal Copyright Convention (UCC).
- The UCC required the use of the symbol © with every publication. If it and the name of the owner and the year date of publication were not used, the work was jettisoned into the public domain.
- After March 1, 1989, the United Stated joined the Berne Convention (BC).
- BC does not require the copyright notice… everything that is published is automatically protected.

DURATION OF COPYRIGHT

- A copyright right begins the moment the work is reduced to a tangible medium.
- Prior to January 1, 1972:
  - A copyright right lasted 28 years and the registration was renewable for an additional 28 years, extended in 1978 to 47 years, if the registration was still alive.
  - If the registration was not renewed, the work was jettisoned into the public domain.
- On or after January 1, 1978:
  - For individuals, the copyright right lasts the authors life time plus 70 years.
  - For anonymous works or “works for hire,” the copyright right lasts for 95 years or 120 years from creation, whichever expires first.
- Litigation to enforce a copyright cannot begin until after the Certificate of Registration is in hand.

WHAT IS THE COST OF ACQUIRING A COPYRIGHT REGISTRATION

- About $400 on average.
- It can cost more if the author has not handled the creation effort systematically and appears before the attorney in a timely manner.
- If a copyright application is filed within 3 months of publication of the work, the effective date of the copyright registration will be made retroactive to the publication date.
- Information about Copyrights is available at www.copyright.gov, including forms to enable you to register your own copyrights. The government fee is $30 per registration.